

SUBJECT: Doing More With Less


-- A suggested pilot program that could be initiated in your organization and monitored at either the Directorate or Agency level.

Y (This information should be provided to the Management Staff by 15 February 1980.

3. The Administration Directorate has, by virtue of budget decisions made these last few years, been "doing more with less." You know this and I know this. Having said so, we nonetheless need to maintain a positive approach to discharging our responsibilities, constrained budget environment or not. I would therefore encourage you to challenge your people to find additional innovative ways to increase our aggregate productivity. I will be most receptive to new initiatives in this area and will commit the resources at the Directorate level to monitor and coordinate, as necessary, your "Doing More With Less" activities.

STAT

Attachments:

1.  briefing notes
2. Vugraphs used with briefing

STAT

* NO ACTION REQUIRED - JEN DDN
STAFF MEET ON TUES. 5 FEB. DDN
WILL PREPARE RESPONSE TO DDLE.

NOTES ON DOING MORE WITH LESS VU-GRAPH 5

Vu-graph 1 - "Doing More With Less" (Background)

- . Suggested as ExCom topic last spring
- . Endorsed as high priority by DDS&T, DDA, DCI
- . O/Comptroller asked to examine problem
 - See if there were approaches that warranted further study
 - Report back on options considered and recommendations

Vu-graph 2 - Doing More With Less Problem (Definition of Problem)

- . Resources (real \$ and positions) declining last 10 years
- . Perception of increasing demands on Agency
- . In order to do more with less, need to further improve Agency performance

Vu-graph 3 - CIA Performance Assessment (Our goal)

- . Factors to consider:
 - What are our objectives
 - What processes do we use to turn objectives into products and services
 - Do these products/services have the desired effects and do they relate back to our objectives
- . We set out to see if a systematic approach to these factors existed

Vu-graph 4 - Approach (Our approach to the problem)

- . Research material
- . Find out what Agency is doing now
- . Investigate other approaches (Government and nonGovernment)

Vu-graph 5 - What is the CIA doing now?

- . Productivity measurement (NPIC effort, DDA initiatives)
- . Productivity enhancement (use of equipment, management of resources)
- . Evaluation - EPDS (DDO), Senior Review Panel (NFAC)
- . In sum, there are initiatives underway, but no real systematic approach in the Agency.

Vu-graph 6 - How are others addressing problem?

- . Private sector
 - Long-term use of productivity programs
 - Increased interest in recent years
- . Federal Government
 - Strong Congressional interest
 - Use of productivity measures in Government only last 5-10 years
 - BLS measures 65% of Government activities
 - . Equates to 40% of CIA activities (by funds)
 - . Equates to 48% of CIA activities (by position)
 - OPM experimental effort - new approaches for personnel offices (expand to other activities)
 - Some agencies developed a more systematic approach (considers quality as well as efficiency)
 - . HEW large program
 - . Parts of DoD, Interior, Treasury, Agriculture have programs
 - . Includes professionals (judges, lawyers, doctors)

Vu-graph 7 - BHA Case Study Summary

- . Reason for using this is because it's a well-documented success story
- . Because there are major differences between what BHA and the CIA do, we will focus in on the approach and methodology used

Vu-graph 8 - BHA Program Approach (also approach NPIC used)

(Emphasize that productivity measures not used to compare one against another, but to track performance of a component over time)

Vu-graph 9 - BHA Statement of Objectives

(This is to show as an example - should point out concern for quality and timeliness as well as number of cases)

Vu-graph 10 - BHA Outputs

(This is to show how outputs are broken down to a point where you can get a meaningful measure - different kinds of cases are weighted differently)

Vu-graph 11 - What did BHA do to improve performance?

- . The kinds of things that were done are not astounding, but by modeling the organization they were able to see where there were problems and bottlenecks

- Some specific points:
 - production goals - judges never knew what was expected of them; caseload increased from 18 to 30 per month per judge
 - preparation process - brought in word-processing equipment and standardized texts
 - staff/judge ratio - many things that could be done by lawyer or paralegals rather than by judges
 - quality review - instituted random sampling - improved quality and less time-consuming

Vu-graph 12 - How does this apply to CIA?

We need to ask ourselves several questions ... that will be addressed in the next few vu-graphs.

Vu-graph 13 - What CIA functions could be measured?

- The top list are functions currently being measured elsewhere in Government
- In parentheses are those CIA offices that have similar functions - many are in the DDA, some in NFAC and DCI area
- Lower list are more unique CIA functions arranged in order of easier to more difficult to measure
- Some experts say that some things like long-range R&D cannot be measured; others say any useful work can be quantified

Vu-graph 14 - What Could be Gained?

- Most important is potential to increase efficiency which relates back to our original problem - meeting increased demand with fewer resources
- What kind of gain can be expected - we don't know
 - Probably not as great as BHA
 - But since the CIA has been around this long without a systematic approach to this problem, there are probably gains to be made
- But aside from this, there are other benefits to the line managers involved
 - Internal use
 - Use in describing component to others
 - Supporting data (for positions increases or impact new workload will have)

Vu-graph 15 - What are the risks?

- . There may be no gain in efficiency (or 4n insignificant gain)
- . Certain costs depending on the level of effort
- . Perceived as bureaucratic exercise
- . Employee morale

Vu-graph 16 - What can be done to reduce risks?

Based on the experience of others in Government or private industry, the following have been found useful - cannot overemphasize strong management commitment from top management all the way down.

Vu-graph 17 - Options Considered

Based on these potential gains and risks, the following options are presented - Options 1, 2, 3

Vu-graph 18 - Comparison of Costs of 3 Options

- . Note in Option 3, staff would be involved in scoping out initial program for 4 to 5 pilot efforts in the CIA - perhaps 1 per directorate - actual work would be done by the component involved - staff would provide consulting and outside training as necessary
- . Option 2 would be similar to BHA/HEW approach

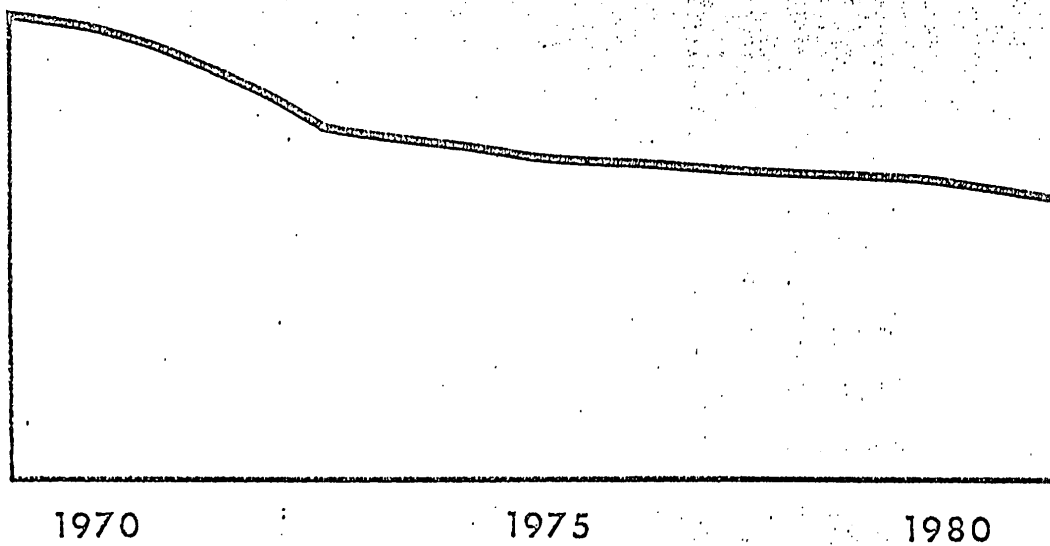
Vu-graph 19 - What Now?

These are the decisions that the ExCom is being asked to consider.

"Doing More With Less"

Doing More With Less Problem

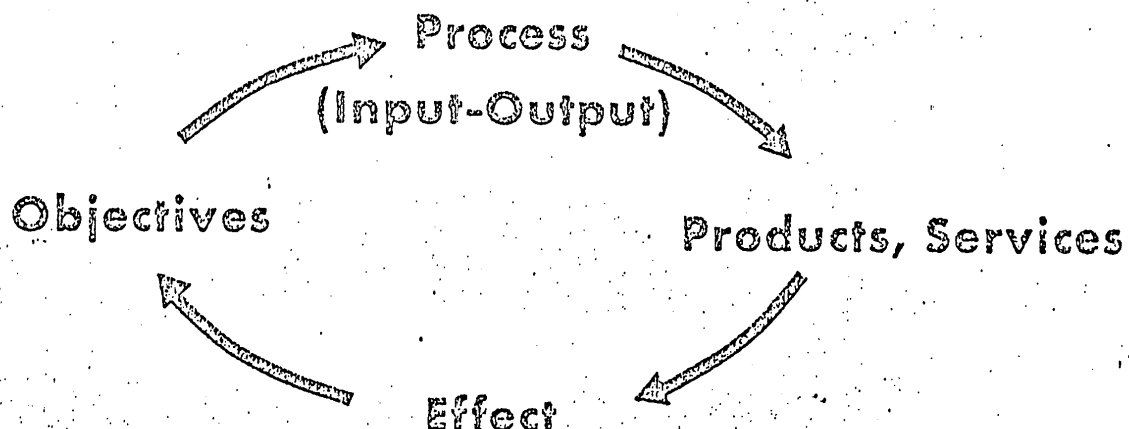
CIA
Resources
(Constant \$)



CIA Performance

Factors to Consider :

- What are WE Trying to do (OBJECTIVES)
- How do We Go About our Job (PROCESS)
- What are the Results (PRODUCTS, SERVICES)



APPROACH

Research available material

Determine what CIA is doing

- Data call
- Discussions

How others are addressing problem

- Other government agencies
- Outside consultants
- Conferences

How does this apply to the CIA

What Is The CIA Doing Now?

Productivity measurement

- NPIC Experimental System
- Office Finance Initiatives —
- Other Efforts

Productivity Enhancement

- Capital Investment in Equipment —
- Standard Formats, Preprinted Forms
- Improved Management of Resources

Evaluation

- DDO's EPDS Systematic Evaluation
- NFAC Senior Review Panel
- Other Efforts

How Are Others Addressing Problem?

- Private Sector
- Federal Government
 - Strong congressional interest
 - OMB/OPM/BLS productivity measurement (last 5-10 years)
 - BLS measures 65% government (could do 85%)
 - OPM experimental effort (personnel)
 - Other agencies - performance improvement programs
 - HEW program covers 89%
 - DoD, Interior, Treasury, Agriculture

Summary of Bureau of Hearings & Appeals, SSA Case Study

THE PROBLEM:

- At end of 1974, BHA in state of chaos
- Workload in last five years had tripled
- Pending cases had risen from 14,000 in 1970 to 111,000 in 1975
- Average processing time was 10 months

WHAT WAS DONE:

- Implemented performance improvement program
- Brought in special management team
- Goal: Increase production without diminishing quality

RESULTS:

- Annual processing of cases increased 54 percent in two years
- Despite 25 percent increase in cases, backlog decreased 18 percent
- Average processing time cut in third

BHA Program Approach

- ① Define objectives
- ② Determine gross outputs (only those that serve objectives)
- ③ Identify lower-order outputs (products, services)
- ④ Establish base year
 - ⑥ Manhours of effort for each output (standard times)
 - ⑥ Productivity arbitrarily decreed at 100 percent
- ⑤ Subsequent years - only need to track output
- ⑥ Use data
 - ⑥ Compare productivity from year to year
 - ⑥ Forecast workload
 - ⑥ Review resource utilization
 - ⑥ Support manpower aspects of budget

BUREAU OF HEARINGS AND APPEALS, SSA

Statement of Objectives

MISSION AREA: Administer the appellant process of SSA programs

INTENT: Insure that all eligible people requesting appeals receive legal benefits

GOALS:

1. Timeliness - all cases processed in 90 days
2. Quality - no cases overturned

LIMITATIONS: Certain federal regulations such as Social Security Act

FREEDOMS: Judges are exempt from laws requiring performance ratings and probation periods

BUREAU OF HEARINGS & APPEALS, SSA

GROSS OUTPUTS

PROGRAM OUTPUTS

UNITS OF OUTPUT (STD TIME)

Disability

Health Insurance

"Black Lung"

Retirement & Survivors

New Initial Cases

Appeals Council Remands

Court Remands

Reopened Cases

HOURS

Dismissals (2.6)

Hearing Affirmations (5.9)

Hearing Reversals (9.8)

On-Record
Affirmations (3.2)

On-Record
Reversals (4.8)

What Did BHA Do To Improve Performance?

1. Established production goals —
2. Streamlined preparation process
3. Changed support staff/judge ratio
4. Balanced workload and emphasized central processing
5. Improved personnel management
6. Instituted new quality review system
7. Set up model offices to test innovations

How Does This Apply To The Agency?

- What of our functions can be measured?
- What are potential gains?
- What are the risks?
- What options do we have?

WHAT CIA FUNCTIONS COULD BE MEASURED?

● Functions measured elsewhere in government:

Communications	(OC)	● <u>Procurement</u>	(OL)
Personnel Management	(OP)	● <u>Printing & Publishing</u>	(OL, PPG)
Personnel Investigations	(OS)		
Finance & Accounting	(OF)	Records Management	(ISS)
Medical Services	(OMS)	Library Services	(OCR, OGCR)
Training	(OTR)	Legal Services	(OGC, OLC)
Information Handling	(ODP, IMS)	Audit of Operations	(IG)

● More unique CIA functions

Imagery Analysis	(NPIC, OIA)
Broadcast Monitoring	(FBIS)
Technical Services	(OTS)
All-source Production	(OWI, OSR, OER, OPA)
Staff Functions	(CCS)
Human Source Reporting	(DDO)
Research & Development	(ORD, ODE)

What Could Be Gained?

- Potential to increase efficiency and realize savings
- Develop management information for internal use
 - Current use of assets
 - Future planning
- Provide comprehensive model of the component -
 - enhance corporate memory
- Provide supporting data

What Are The Risks?

- There may be no efficiency gain
- There will be certain costs
 - Some Directorate resources
 - Central staff
 - Consulting and training costs
- May be perceived as unnecessary bureaucratic exercise
- May adversely affect employee morale

What Can Be Done To Reduce Risks?

- Strong management commitment
- Thorough planning
- Clearly defined targets for improving performance
- Thorough involvement and training of participants
- Careful evaluation of process with feedback along each step of way

Options Considered

OPTION 1:

- Encourage and monitor on-going activities
- Establish central point of contact

OPTION 2:

- Develop an agency wide program
- Large central staff & consulting effort

OPTION 3:

- Start with pilot efforts
- Expand to other offices
- Some central staff & consulting

EXCOM Support	OPTION 1 Encourage on-going activities	OPTION 2 Full commitment	OPTION 3 Full commitment Start modestly
Staffing requirements	Central point of contact	Central staff of 5 Office level -- 15-20	Central staff of 2 Office level -- 4-5 (part-time)
Internal costs	1 man year (\$30,000)	20 man Years (\$500,000)	5 man years (\$150,000)
External costs	None	\$500,000	\$25,000
Total costs	\$30,000	\$1,000,000	\$175,000

What Now?

- Your decision on options presented
- If decision to go ahead (Options 2 or 3),
where should program management
be placed

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Doing More With Less

STAT

FROM: Don I. Wortman
Deputy Director for Administration
7D18 HQS

EXTENSION

NO.

DD/A 80-0257/1

DATE

30 JAN 1980

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. Director of Logistics

STAT

JIM.

THIS WAS DISCUSSIO
IN GREAT DETAIL
AT 5 FEB DDN
STAFF MEET !WILL BRIEF
YOU ON EXCHANGEIN MEANTIME WE
NEED NOT MAKE
RESPONSE TO THIS
AS REQUESTED P 2.

OL 0-0505

FORM
3-62

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USE PREVIOUS
EDITIONS☐ SECRET☐ CONFIDENTIAL☐ INTERNAL
USE ONLY☒ UNCLASSIFIED